

SENATE BILL 4099

By Herron

AN ACT to enact the "Tennessee Rural Health Act of 2008" and to amend Tennessee Code Annotated, Title 4, Chapter 51 and Title 49, Chapter 4, Part 9, relative to postsecondary financial assistance from net lottery proceeds. This act makes appropriations for scholarship programs funded by state lottery proceeds for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9\_\_.

(a) This section shall be known and may be cited as the "Tennessee Rural Health Act of 2008".

(b) To be eligible for a Tennessee rural health scholarship, a student shall:

(1) Not be ineligible for the scholarship under § 49-4-904;

(2) Be classified as an in-state student under the rules of the Tennessee board of regents or the University of Tennessee system on the date of application for the scholarship and on the date of reapplication for the scholarship each academic year;

(3) Be admitted to and enroll in an eligible postsecondary institution that:

(A) Has a school of medicine providing a program of study accredited by the Liaison Committee on Medical Education, or its successor, as a full-time student seeking the degree of doctor of medicine (M.D.);

(B) Has a school of medicine providing a program of study accredited by the Bureau of Professional Education of the American

Osteopathy Association, or its successor, as a full-time student seeking the degree doctor of osteopathic medicine (D.O.);

(C) Offers a physician assistant program that is accredited by the Accreditation Review Commission on Education for the Physician Assistant, or its successor, as a full-time student seeking to become a physician assistant; or

(D) Offers a nurse practitioner program that is accredited by the National League for Nursing Accrediting Commission, Inc., or its successor, as a full-time student seeking to become a nurse practitioner;

(4) Maintain satisfactory progress in the program of study in which the student is enrolled;

(5) Agree to practice medicine in a health resource shortage area after becoming a Tennessee licensed physician, osteopathic physician, or physician assistant or receiving a Tennessee certificate of fitness as a nurse practitioner one (1) year for each year of funding provided by a Tennessee rural health scholarship. A scholarship recipient shall agree to practice general medicine or internal medicine or as a primary care provider or a family practitioner whose practice primarily serves TennCare recipients;

(6) Not accept any other financial assistance that carries with it a service obligation after graduation and receipt of the applicable license to practice medicine; and

(7) Sign a promissory note each year the scholarship is awarded that stipulates the cash repayment obligation incurred if the medical service is not fulfilled. If a scholarship recipient obligates to a service commitment under another loan-scholarship program, fails to complete the medical program the

recipient enrolled in, or fails to practice medicine in a health resource shortage area for the number of years required to fulfill the recipient's obligation pursuant to the award of a Tennessee rural health scholarship, then all funds obtained from the award of the scholarship shall be repaid with interest; provided, however, that no repayment shall be due, if TSAC finds that it is impossible for the recipient to fulfill the service obligation because of death or permanent disability of the recipient.

(c) A scholarship recipient shall not be required to fulfill the service requirement of subdivision (b)(5) or make any repayment of scholarship funds during any period of training required for licensure, including, but not limited to internship or residency, or during service in the United States armed forces, but such period shall not exceed six (6) years.

(d)

(1) A Tennessee rural health scholarship awarded to a student attending an eligible public postsecondary institution shall be the amount of in-state tuition and fees for the program in which the student is enrolled.

(2) A Tennessee rural health scholarship awarded to a student attending an eligible independent postsecondary institution shall be:

(A) If an eligible public postsecondary institution offers a program comparable to that in which the student is enrolled, the average amount of in-state tuition and fees for such programs at all eligible public postsecondary institutions offering comparable programs.

(B) If no eligible public postsecondary institution offers a program comparable to that in which the student is enrolled, the average amount

of tuition and fees for such programs at all eligible independent postsecondary institutions offering comparable programs.

(3) No partial scholarship shall be awarded under this section.

(e) As used in this section, "health resource shortage area" means an area determined as a health resource shortage area by the department of health, office of rural health.

(f) The Tennessee student assistance corporation, in consultation with the department of health, Tennessee board of medical examiners, the board of osteopathic examination, the committee on physician assistants and the board of nursing, is authorized to promulgate rules and regulations for the management and administration of the program, including the execution of appropriate contracts and promissory notes, the terms of promissory notes, cancellation of the notes and deferment of repayment and, should a scholarship recipient be required to repay a promissory note, the rate of interest and terms of repayment. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

(g) No retroactive award of a Tennessee rural health scholarship shall be made under this section.

(h) Scholarships awarded under this section shall commence with the 2009-2010 academic year.

(k)

(1) The "Tennessee rural health scholarship fund" shall be established as a separate account in the state treasury. Amounts remaining in the fund at the end of each fiscal year shall not revert to the lottery for education account or the general fund but shall remain in the fund. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of

the fund. All earnings attributable to such investments shall be credited to the fund.

(2) On July 1, 2008, the amount of twenty-five million dollars (\$25,000,000) shall be transferred from the lottery for education account to the Tennessee rural health scholarship fund.

(3) In any year, all funds in the Tennessee rural health scholarship fund, both principal and accrued earnings, shall be appropriated as a direct and continuing appropriation to TSAC for the award of scholarships under this section.

(l) The comptroller of the treasury, through the comptroller's office of education accountability, shall review and study the Tennessee rural health scholarship program to determine the effectiveness of the program in educating medical professionals and in improving the delivery of health care to Tennesseans living in rural areas. Such study shall be done in the fifth year of the program and every four (4) years thereafter. The comptroller shall report the findings and conclusions of the study to the speakers of the senate and house of representatives and the chairs of the education committees of the senate and the house of representatives.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.